

How Much Money Can you Save in a Month?

The CPC MOPS Financial Fast-- Are YOU in?

When my husband and I meet with couples who are struggling with their financial commitments, one of the first questions we ask is, "What is your monthly cost of living?" Rarely do they know. Some may know how much they spent last month, but they do not know on exactly what or if they needed to spend all that. They do not know the exact amount they need to live. Examining your current lifestyle and knowing how much you currently need to get through a month is critical information to have especially during this unstable period in our economy.

But of course *this* MOPS group already has their 2010 budget in place and is tracking expenses and meeting monthly with their spouses to discuss the prior month. Right? Well another good piece of information to have is your *minimal* cost of living. This is the amount needed each month if there was a job loss or other unplanned shift in the budget (large medical bill added etc.). With a decrease in the "topline" which is the amount coming in, or a large increase in an expense like a new debt from a large medical bill, the family needs to know which expenses are unnecessary and could be immediately cut from the budget. For example, the mortgage would remain the same but the amount allotted for babysitters and vacations could go to zero.

Though you may never reduce your spending plan (budget) to this number, sit with your husband and determine your minimal cost of living. What ***could*** go if necessary? NOW...how about taking a month and purposely doing without that which is unnecessary? How about consciously taking that "saved" money and putting it aside. What could this look like?

- Shop in your pantry and freezer for a week. Choose recipes that use those things you already have on hand. Doing this periodically also insures that food is not "lost" and then spoils.
- Pare back your groceries to only necessities for healthy eating. (You know what I'm talking about...no poptarts, cookies, ice cream...)
- Plan cheaper meals—pasta and sandwiches rather than higher priced items.
- Skip all fast food and dining out (except date night—but keep it simple.)
- Swap for free babysitting this month.
- Rent movies from the library for entertainment.
- Use no services that you can do yourself or do without for a month.
- If you or your child is not naked, then buy no clothes this month. (It does not matter if it is cute AND on sale.)
- Make coffee and hot chocolate at home rather than stopping at Starbucks.

- AS a bonus, sell something. Add to your “topline” by finally getting some things on e-bay or heading out to the consignment shop.

After your 30 day fast, you will have “found” some money. You have many choices as to what to do with it.

- Might I suggest that IF you have any consumer debt (credit cards) that the money go there first. These are the people who are charging you an obscene amount of money just to loan you money. Get rid of them! Consider your new cash flow once they were gone for good.
- This would also be a good time to give sacrificially. You have lived simply so that others can simply live. Find an organization that you trust and give, give, give.
- Keep the money back for the purchase of a new (to you) vehicle for cash...you do NOT have to finance a car.
- Start your emergency fund savings. This should be at about \$2,000 before you start other savings. This is your insurance against using credit cards in an emergency.
- Start a 529 plan for kid’s college. I would not even begin this until you are free from all other credit except the mortgage. (But that’s just me.)
- If you have no debt besides the mortgage, add to you vacation fund. However, the best vacation is the vacation from high interest payments!

A few quotes to get you through: “Not wanting something is as good as having it.” and “The easiest way to make money is to not spend it.” This is because we spend post tax dollars; so someone had to work to earn \$100 so that we could spend \$70. If we save the \$70, then we are really saving the \$100 that had to be earned. Use the above for motivation so you can stay focused and work to ENJOY your MOPS 2010 Financial Fast.